



The Burdette Smith Group

Trust * Commitment * Service

30 YEARS of PROFESSIONAL EXCELLENCE

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Special points of interest:

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- Old News Makes New News
- A Remembrance
- Nasty Notices
- News of Our Clients
- Staff News
- Sarbanes-Oxley Bill Passes
- It's Fall Again
- Deadlines
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Managed Growth

By: Thomas E. Burdette, CPA



Thomas E. Burdette, CPA

Growth is something for which companies and firms strive. The reasons for this nearly universal goal are numerous, but principally for increased profitability and more varied opportunities.

Increased profitability must be gauged to those costs related to growth. Increased staffing, including overhead costs associated with office space, fringe benefits and training are quantifiable. Generally costs progress gradually, but occasionally an opportunity presents itself which requires immediate hires to fulfill the requirements of an engagement. Keeping a watchful eye on costs associated with growth will help guide decisions to ensure smooth progression to attain growth goals.

Over the past 30 years we have had a steady growth in our client base. As a result, we have seen a number of new

faces in our firm. We started in 1978 with two shareholders and one part-time administrative person. We are now a four-shareholder firm with a total team of about 30 members. We have very little turnover in employees which makes it much easier for us to maintain client loyalty.

Another important factor in managed growth is the strong marketing of the organization to ensure that maximum exposure brings new clients representing new fees to the business. The increased revenues must be generated to provide for the increased growth costs. Marketing comes in many forms, but the most successful and effective is client referrals.

With strong client retention, clients see the same faces and hear the same voices over the years. As a result our

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30 Years and Counting!

30 years is a long time! I think its fair to say, in retrospect, that I was a pretty naïve, fresh-faced kid when this all started. I had only been out of college three years.

I was raised in a household dependent on a family-owned business. I witnessed first hand the stress of ups and downs on my father. Knowing what I knew, it was a huge move to toss caution aside and step out on my own. It turned out to be a great decision.

The greatest reward in these years has been the talented, committed people I've worked with here at BSG. I am so proud of the fine people I've brought on board. Some on our

staff have been with us for many of these 30 years ... others have gone on to careers elsewhere or fulfilling retirements. All left an imprint on this firm - a legacy felt everyday.

There are still a number of clients who began this journey with me. Many thanks for your loyalty. For those who have joined us along the way, I want you to know how profoundly grateful I am to know you. Our commitment to Trust, Commitment and Service has never been stronger. We have **cared** for 30 years and that assurance to caring will continue over the next 30 years.

Tom

Managed Growth

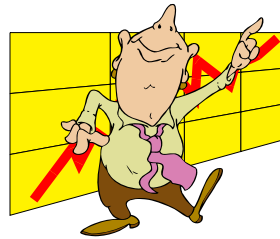
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Current, previous and new clients receive a quality product and in-touch services that bring them back and provide us with a loyal referral base. Referrals are the backbone of our firm's growth strategy.

Growth is also essential to broaden the range of firm services. In our 30 years we have taken the firm from a basic audit and tax firm to estate planning, eldercare specialists and business management experts. This gives our clients the opportunity to use the firm's expertise to meet a variety of needs. It enables the client to work with a trusted professional who is totally familiar with their business and personal financial background; thus giving them all-encompassing, quality service. The

same principals apply to any business trying to meet growth goals. Broaden your base and cross-sell services.

Growing businesses are driven by a leadership teams that set direction, identify opportunities, communicate and deploy strategy and adjust to market conditions. Our team represents all of the major profit centers of the firm. We realize our clients have many options for CPA services. It is our team's assignment to position our firm to



go the extra mile in teaching client expectations.

Our goal is to be twice our current size within 5 years. The realization of this goal will be achieved using the principals I've outlined. These principals can easily be applied to your organization.

I look forward to giving you an update on our growth when I write this article in our 40th year celebration 10 years from now.

News of Our Clients

What would summer be without some great fish stories? Chad Lucas, **Prospect Development**, made *Coastal Fisherman* magazine, July 9th edition by catching a 7 lb., 26" flounder in Ocean City, Maryland. Amazing!

Hat's off to Joe English and his team of **Ted Lizas, Chevy Chase Fine Properties and Rob Howard, MCC Graphic Solutions** for their first place finish in the 2008 Dave Harris Cinco de Mayo Billfish Tournament. The memorial tournament



was held in Port Adventura, Mexico. Joe, Ted and Rob caught two white marlin, one sailfish and nine mahi mahi to bring home the first place trophy. That's one busy day of fishing!

We're proud to congratulate our clients, **Studio Theatre, Synetic Theatre and Signature Theatre** for their multiple 2008 Helen Hayes awards. **Studio Theatre** collected five awards which included Outstanding Director, Resident Musical for *Reefer Madness: The Musical* and Outstanding Director and Outstanding Costume Design for *Souvenir*. The production of *Souvenir* also won Outstanding Lead Actress and Actor.

Synetic Theater's production of Macbeth collected the awards for Choreography, Director - resident play, Sound Design, Supporting Actor and Resident Play. They also won Outstanding Ensemble for *Hamlet*.



Signature Theatre received awards for Outstanding Lead Actor, Outstanding Musical Direction, Outstanding Supporting Actor and Actress for *Merrily We Roll Along*. Our theaters are producing very creative, quality work. Give them a try.

Staff News

It's been some time since we updated you on our staff. As always, they're a busy bunch.

Debbie Harris finished her B. S. in accounting this spring, graduating magna cum laude from George Mason University. If ever there was an individual with an innate talent for her profession it is Debbie. She was an outstanding accountant before her degree ... now she is well on her way to becoming a "Super CPA."



Our staff is making a strong contribution to the Northern Chapter, VSCPA. Holding

chairmanship positions are **Becky Bartholomae, CPA** - Technology Committee; **Diane Acurso, CPA** - Eldercare and Estate Planning; and, **Beth Moffett, CPA** - Tax Committee.

New staff accountants include: **Lindsey Wallace** (B.A. Mary Washington University, M.A. George Washington University); **Kevin Green** (B.S. George Mason) and **Ryan Perry** (B.A., M.B.A., M.S. Niagara). Our lovely new receptionist is **JoAnn Smith** who began work as our '06 tax season part time assistant. She began full time work in January 2008.

Joe English's daughter, Abby, participated on the winning team at the 3 on 3, under 12, Mixed Soccer Festival in Columbia MD. On August 8-9 her team will be in

the regional tournament in York, PA on the way to the finals in Orlando, FL in February.

Congratulations to Bob and **Sue Ranck, CPA** on Bob's promotion to Brigadier General-Select, U.S. Air Force.

In July, BSG was named "**Business of the Year**" by the Vienna-Tyson's Regional Chamber of Commerce. **Bob Stemetski, CPA** accepted for the firm. The firm's strong support of the local business community, participation in scholarship aid and strong representation by staff in both civic and professional organizations.



Economic Stimulus Act of 2008

By: Joshua J. Bright, Staff

With all the bad news about gas prices and bankrupt banks, wasn't it nice to hear about the Economic Stimulus Act of 2008? When people hear of this act, most minds go directly to the stimulus checks that are being sent to individuals this year. However, those are only half of the tax benefits that have been implemented. There are also many tax breaks for businesses.

Individuals will gain from the Economic Stimulus Act through the rebate checks. The checks are designed to refund some or all of your 2007 tax liability. If a taxpayer's 2007 tax liability was greater than \$600 (\$1,200 for joint filers); then the rebate check is \$600 for individual filers and \$1,200 for joint filers. If the tax liability was less than \$600/\$1,200 then the rebate check will most likely equal the tax liability.

There are exceptions to this, of course. If a taxpayer had \$3,000 of earned income, Social Security benefits and certain veterans' benefits (including survivors of disabled veterans) or any combination thereof, then the rebate check is \$300 for individuals and \$600 for joint filers. Those rebate check values will also be triggered if tax liability was at least \$1 and gross income was greater than the basic standard deduction and personal exemption amounts added together.

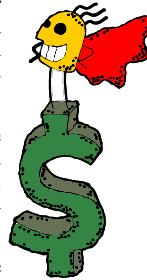
All payments of rebate checks should be completed by the end of the summer, but there is no set date given by the IRS.

Unfortunately, there are many who will not benefit as individuals from the Stimulus Act. For

individual filers, limitations on the rebate amount begin if adjusted gross income (AGI) for 2007 equals \$75,000, and the credit completely phases out for individuals once AGI reaches \$87,000. For joint-filers, limitations start at \$150,000 AGI, and phase-out is at \$174,000 AGI.

Businesses benefit from the Economic Stimulus Act through the enhancement of Code Section 179 expensing and bonus depreciation. Prior to this act, the allowable Sec. 179 deduction for equipment placed in service in tax years beginning in 2008 was \$128,000; and that deduction would be reduced dollar for dollar by any equipment purchases over \$510,000.

The Stimulus Act increases the allowable deduction to \$250,000 and the phase-out threshold to \$800,000. This act raises Code Section 179 expensing to the highest it has ever been, but the changes only apply to equipment placed in service in tax years beginning in 2008. All other



Beth Moffett, CPA Named Firm Associate



Elizabeth J. Moffett (Beth), CPA was recently named an Associate of the firm. She joins Rebecca Bartholomae, CPA Associate, Bob Stemetski, CPA, Joseph English, Jeff Smith and Tom Burdette on the firm's management team.

Beth joined the firm in 2004. Her expert knowledge of small business accounting and integration of accounting systems has added immeasurably to the firm's reputation in these specialties. Additionally, she provides accounting support for numerous small business entities and not-for-profit clients on a variety of accounting and tax planning issues. She is also expert in the preparation of corporate, partnership, individual and not-for-profit taxes.

Beth received a M.S. in Accounting from George Mason University and a B.S. in Business Administration from the University of Nebraska - Omaha. She has a large role in the continuing education program within the firm leading numerous staff continuing education seminars. Beth currently serves as Co-Chairman of the Tax Committee of the Northern Chapter, VSCPA.

Beth's family includes her husband, Brad, a son and daughter. Now retired from a 21 year Air Force career, Brad has his own business in security consulting.

To Beth's impressive professional success, add her strong involvement with her church and ACCA (Annandale Christian Community for Action). Her outreach effort to those in need includes both contributing to and delivering food bank staples to needy families throughout the re-

gion.

Beth has served as Treasurer of her homeowners' association and chair of the audit committee of her church.

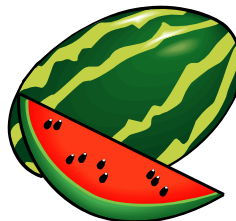
"Beth is a true professional. She is expert in her fields of interest and has a great way with her clients. She really cares about their concerns and communicates very well. She is a great example to our younger staff accountants - teaching skills and technique. We're lucky to have her on our team and luckier still to have her now in a leadership position in the firm," said Tom Burdette, founding shareholder.

Thunking!

By Joan W. Cross

I grew up in the farmlands of Iowa—famous for corn, soy beans, hogs and recently floods. What you probably didn't know was that south-east Iowa is known for great melons ... watermelon, muskmelon, cantaloupe and honeydew. Summer really starts when the melons begin ripening. There really isn't anything better than sitting in the shade with a slice of cold watermelon, spitting seeds and listening to the corn grow.

The art of melon selection is passed down from generation to generation. The object, of course, is to select the sweetest melon floating in a trough of cold water. My grandfather favored "thunking!" He would select a melon, hold it to his ear and then snap his middle finger against the melon. A good "thunking" sound was the indication that the melon was ripe and guaranteed to be delicious.



I've used this method at the local Safeway to the amusement of other shoppers. People look at you strangely - as if you're bruising the fruit or more likely taking your aggressions out on the poor melons.

There isn't a lot to do in Iowa on hot summer evenings. It was a local pastime to steal watermelons from local farmer's melon patches. The patches were always located near a country road for harvesting purposes. This was also a convenient location for a carload of kids inching up the dark road, lights out, searching for the best melons - "thunking" along until two or three melons were picked. Several

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Carefree days of summer

Stimulus Act

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This act raises Code Section 179 expensing to the highest it has ever been, but the changes only apply to equipment placed in service in tax years beginning in 2008. All other rules and limitations still apply to Code Section 179 expensing. Businesses that do not qualify to take Section 179 expense may benefit from the new 50% bonus depreciation rules. Depreciation of certain business assets may be accelerated for property placed in service in tax years beginning in 2008.

The Economic Stimulus Act of 2008 gives tax benefits to low-to-middle income families and smaller businesses with some provisions of the Act excluding high-income taxpayers and larger businesses. This overview is meant to be merely a summary. It is important to know new tax laws and how they will effect you and your business. Please contact us should you have any questions or are in need of any tax, accounting support or other financial services.



*If you want
to make God laugh,
tell him about your plans.*

Woody Allen

DO WE HAVE YOUR CORRECT ADDRESS?

Please drop us a note if our mailing list is out of date. Try as we may, we often see some of these newsletters coming back in the with sorted mes-from post Please us the nec-



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